

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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| In the Matter of |) | |
| |) | |
| Application by Qwest Corporation |) | CC Docket No. 02-189 |
| for Authorization under Section 271 |) | |
| of the Communications Act to |) | |
| Provide In-Region, InterLATA Service |) | |
| in the States of Montana, |) | |
| Utah, Washington and Wyoming |) | |

Comments of
Communications Workers of America

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I. Introduction

The Communications Workers of America (CWA) submits these comments in support of Qwest's application for authority under Section 271 of the Communications Act to provide in-region, interLATA service in Montana, Utah, Washington and Wyoming.

After exhaustive reviews, the Public Service Commissions in all four states determined that Qwest has met the checklist requirements of Section 271 of the Communications Act to open local markets to competition in their respective states. Further, Qwest's performance monitoring plans provide adequate safeguards against backsliding by Qwest and create incentives for Qwest to engage in continuous improvement of its wholesale services.

Qwest's entry into the long-distance market Montana, Utah, Washington and Wyoming is in the public interest. First, it will increase competition in the long-distance market, particularly for residential consumers. Based on the experience of consumers after SBC entry into the long-distance market in Texas, Oklahoma, Kansas, Missouri, and Arkansas; after Verizon entry in New York, Massachusetts, Pennsylvania, Connecticut, Vermont, Rhode Island, Maine, and New Jersey; and after BellSouth entry in Georgia and Louisiana, Qwest's entry into long-distance in these four states will lead to lower prices and new service offerings. Second, Qwest's entry into the long-distance market in these states will promote the important goal of the 1996 Telecommunications Act to create good, high-wage jobs in the telecommunications industry.

CWA is in a unique position to comment on Qwest's long-distance application in Montana, Utah, Washington and Wyoming. CWA represents more than 9,000 employees at Qwest in these four states.¹ CWA also represents employees at AT&T, primarily in its long-distance operations, but also in some local service and cable operations. Because CWA represents employees in all segments of the telecommunications industry, CWA must base its position regarding an application by a Bell Operating Company (BOC) to provide long-distance services on the factual evidence regarding Section 271 compliance as well as on the public interest merits of the application.

Based on the evidence, it is clear that in Montana, Utah, Washington and Wyoming, Qwest has satisfied the market opening requirements of Section 271 and that the public interest will be served by its entry into long-distance. Therefore, CWA supports Commission approval of Qwest's application in this proceeding.

II. Qwest Has Met the Market Opening Requirements of Section 271

CWA concurs with the conclusions of the Montana, Utah, Washington and Wyoming Commissions that Qwest has met the requirements of Section 271 of the Communications Act to open its local network to competition. In Montana, competitors serve between 6 and 10 percent of the local phone market. In Utah, competitors serve between 20 and 24 percent of the local phone market. In Washington, competitors serve more than 20

¹ CWA Membership Report, June 2002. Nationally, CWA represents more than 730,000 employees who work in telecommunications and other public and private sector organizations. In total, CWA represents more than 32,000 Qwest employees.

percent of the market. In Wyoming, competitors serve 11 to 15 percent of the market. In addition, depending on the state, between 64 and 91 percent of Qwest's access lines in these four states have easy access to a competing facilities-based provider.

Further, the most recent performance data available indicates that Qwest has met its Section 271 obligations in these four states. Qwest underwent comprehensive OSS testing in preparation for its Section 271 application with 685 separate test points covering 13 states. The test evaluated every aspect of Qwest's OSS that affects local competition. In this test, Qwest satisfied over 94 percent of the 685 test points.

As the Commission noted in approving Bell Atlantic's entry into the long-distance market in New York, parity with retail performance, rather than perfection, meets the checklist requirement of non-discriminatory access.² While CWA supports regulatory efforts to ensure that Qwest provides high-quality service in both its retail and wholesale operations, in the context of this Section 271 application the record is clear that Qwest is providing service at or above parity with its retail operations, and therefore is in compliance with each and every checklist item.

² Memorandum Opinion and Order, *Application by Bell Atlantic-New York for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Services in the State of New York*, CC Docket No. 99-295, FCC 99-404, Dec. 22, 1999 (rel), 176 (*New York Order*).

III. Qwest Entry into Long-Distance Is in the Public Interest

Qwest has met the requirements of the 1996 Act to open its local markets in Montana, Utah, Washington and Wyoming to competition. The Commission need not fear backsliding by Qwest. The Commissions in these states have approved performance plans that require Qwest annually to put at risk at least 36 percent of its net local service revenue if Qwest fails to meet the rigorous performance standards. These self-executing mechanisms adhere to the guidelines established by this Commission in previous Section 271 proceedings. Moreover, the financial liabilities for non-compliance, as a percentage of net revenue, exceed the exposure that this Commission found adequate in New York and Texas.

The experience in the other 15 states in which SBC, Verizon, and BellSouth now provide in-region long-distance service demonstrates that consumers, particularly residential consumers, benefit from BOC entry into the long-distance market.

In the 15 states in which they already have authority to provide long-distance service, SBC, Verizon and BellSouth offer customers a low per-minute charge with no monthly minimum or monthly recurring charge, all on a single bill. In response to SBC's and Verizon's long-distance rate plans and all-inclusive bill, AT&T, MCI WorldCom, and Sprint began to offer discounts on their long-distance plans to customers who signed up for local service and reduced intrastate rates. The Commission's own Local Telephone

Competition Report confirms that states with long-distance approval show the greatest competitive entry into the local market.³

In addition, Qwest's entry into long-distance is in the public interest because it will stimulate the growth of high-skilled, good jobs in Montana, Utah, Washington and Wyoming. Qwest's entry into the long-distance market these states will add more high-wage, high-skilled customer service and operator service jobs in local communities in the fourteen-state region.

IV. Conclusion

The Commission should approve Qwest's application to provide in-region, inter-LATA service in Montana, Utah, Washington and Wyoming. Qwest has demonstrated that it has met Section 271's market-opening requirements in both states. Qwest's entry into long-distance in these markets will benefit consumers with greater choice, lower prices, and new service offerings. Finally, Qwest's entry into long-distance in these states will stimulate the growth of high-skilled, good jobs.

³ FCC, *Local Telephone Competition: Status as of June 30, 2001*, Feb. 27, 2002. In the states with longest exposure to BOC competition, competitors served 23% of local lines in NY, 14% of local lines in Texas, 13% of local lines in Pennsylvania, and 12% of local lines in Massachusetts compared to 9% nationwide.

Respectfully Submitted,

Communications Workers of America

George Kohl
Assistant to the President/Director of Research

Dated: August 1, 2002

CERTIFICATE OF SERVICE

This is to certify that I have duly served these comments upon these parties by depositing copies of same in the United States mail, addressed as follows:

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